

Message Text

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AMEMBASSY PANAMA
AMEMBASSY CARACAS

S E C R E T MANAGUA 4336

EXDIS

FOR SECY VAKY FROM AMB SOLAUN

E.O. 11652: GDS
TAGS: PINS, PINT, CS, NU
SUBJECT: THE TRAVELS OF LUIS PALLAIS DEBAYLE AND MEDIATION

SUMMARY: PALLAIS HAS MADE RECENT CONTACTS WITH OPPOSITIONISTS
IN US AND PRESIDENTS OF VENEZUELA AND PANAMA TO ATTEMPT TO FIND
A WAY OUT OF THE CURRENT POLITICAL IMPASSE AND SURGING IN-
SURRECTION. HE BELIEVES HIS EFFORTS MIGHT BEAR FRUIT AND PLANS
TO MAKE FURTHER CONTACTS. END SUMMARY.

1. LUIS PALLAIS DEBAYLE, MET WITH AMB ON SEPTEMBER 13 AND PRO-
VIDED RUNDOWN ON HIS RECENT ACTIVITIES. HE SAID HE HAD
BEEN MEETING WITH FRANDISCO AND HORACIO AGUIRRE (DIARIO DE
LAS AMERICAS, MIAMI) AND DR. RAMIRO SACASA (PRESIDENT,
LIBERAL CONSTITUTIONALIST MOVEMENT - MLC) IN MIAMI.
HE SAID HE HAD BEEN TRYING TO CONVINCE THEM THAT A NEGOTIATED

SECRET

SECRET

PAGE 02 MANAGU 04336 140103Z

CONSTITUTIONAL SETTLEMENT WITHOUT PRECONDITIONS WAS NECESSARY.
HE REPORTED THAT THEY WOULD COOPERATE.

2. PALLAIS THEN TRAVELLED TO PANAMA TO INTERVIEW TORRIJOS.
HE MADE THE SAME PITCH FOR A CONSTITUTIONAL SOLUTION, AND ON
BEHALF OF SOMOZA, URGED TORRIJOS TO DROP HIS SUPPORT FOR VENE-
ZUELAN INITIATIVE IN OAS. TORRIJOS, ACCORDING TO PALLAIS,

WAS ADAMANT SOMOZA MUST GO. PALLAIS SAID APART FROM ISSUE OF SOMOZA, THERE WAS ISSUE OF NICARAGUAN NATIONAL GUARD. HE ASKED WEREN'T ALL GUARDIA BROTHERS. PALLAIS REPORTS TORRIJOS WAS CONVINCED AND CALLED GOV PRES. PEREZ AND RECOMMENDED PEREZ RECEIVE VISIT BY PALLAIS, TO WHICH PEREZ AGREED. PALLAIS RETURNED TO MANAGUA AND REPORTED TO SOMOZA WHO AGREED TO HIS TRAVEL TO CARACAS AND PROVIDED HIS PERSONAL JET.

3. PALLAIS SAID HIS PITCH TO PEREZ WAS TO DEFER OAS INITIATIVE, TO SUSPEND SUPPORT FOR FSLN, AND TO "URGE HIS NICARAGUAN FRIENDS TO SUPPORT EFFORTS TO FIND A CONSTITUTIONAL SOLUTION". ACCORDING TO PALLAIS, PEREZ AGREED AFTER LONG AND HEATED DEBATE, BUT SAID THAT THE COMPROMISE EFFORT WOULD NOT BE SUCCESSFUL IF PRESIDENT SOMOZA WISHED TO REMAIN IN POWER UNTIL 1981. PEREZ, HOWEVER STATED HIS GREAT CONCERN OVER THE SANDINISTAS AND NEED TO BLOCK THEM. PALLAIS HAS INFORMED SOMOZA OF THESE CONTACTS AND HAS RECEIVED GO AHEAD FROM SOMOZA TO FOLLOW UP THESE CONTACTS. PALLAIS PLANS TO MAKE FURTHER CONTACTS WITH OPPOSITION LEADERS.

4. PALLAIS' PLAN CONSISTS OF A RESTRUCTURED NATIONAL GOVERNMENT WHICH WOULD INCLUDE OPPOSITION LEADERS, BUT OVER WHICH SOMOZA WOULD CONTINUE TO PRESIDE UNTIL ELECTIONS IN 1981.

5. AMB TOLD PALLAIS THAT HE FELT THAT OPPOSITION IS DEMANDING, AND WILL CONTINUE TO DEMAND, THAT SOMOZA RESIGN BEFORE A1981,
SECRET

SECRET

PAGE 03 MANAGU 04336 140103Z

THAT IN ORDER TO START NEGOTIATIONS IT MAY BE REQUIRED THAT BOTH OPPOSITION AND SOMOZA WITHDRAW THEIR PRECONDITIONS (IMMEDIATE SOMOZA RESIGNATION AND SOMOZA RULE UNTIL 1981, RESPECTIVELY). AMB SAID THAT IF SOMOZA WERE NOT INTRANSIGENT AND SOUGHT GOV, GOP, GOCR, AND USG SUPPORT FOR OTHER THAN A 1981 FORMULA, IT MIGHT NOT BE TOO LATE AS THESE GOVERNMENTS WOULD NOT BE PLEASED WITH A BLOODBATH AND SANDINISTA TAKE-OVER. PALLAIS SAID THAT HE LIKED THE IDEA OF NEGOTIATING A TRUE COMPROMISE AND THAT IT MIGHT BE PREFERABLE THAT SOMOZA INITIATED THIS FORMULA RATHER THAN HAVE TO ACCEPT IN THE FUTURE AN INTERNATIONALLY IMPOSED SETTLEMENT. PALLAIS SAID THAT HE WAS GOING TO EXPLORE WHETHER SOMOZA HAD AN INTEREST IN SUCH A FORMULA.

6. COMMENT: EMB INTERPRETS PALLAIS MESSAGE AS INDICATION THAT SOMOZA OR HIS INNER CIRCLE ARE FEELING SERIOUSLY EMBATTED AND MAY BE WEAKENING IN THE RESOLVE TO ATTEMPT TO RIDE OUT THE CURRENT CRISES WITH A HARD LINE. AT THE SAME TIME, IT SEEMS CLEAR MOST ELEMENTS OF THE OPPOSITION WOULD NOT ACCEED TO A SOLUTION WHICH PROVIDED FOR SOMOZA TO STAY IN THE PRESIDENCY, ESPECIALLY UNTIL 1981. THE FSLN IN PARTICULAR IS UNLIKELY TO ACCEED TO SUCH A SOLUTION BUT COULD FIND ITS POPULAR SUPPORT REDUCED BY A RESTRUCTURED GOVERNMENT THAT FOLLOWED A TRUE COMPROMISE.

WE WOULD EXPECT THAT IF SOMOZA MADE DRATIC CONCESSIONS,
SOME ELEMENTS OF THE OPPOSITION WOULD SUPPORT MOVE WHICH MIGHT
PULL THE COUNTR BACK FROM WHAT MANY OF THEM VIEW AS THE BRINK
OF DISASTER. FOR A MEDIATED SOLUTION TO HAVE MUCH CHANCE FOR
ACHIEVING A STABILIZED SITUATION, IT STILL APPEARS THAT AN
OUTSIDE MEDIATOR IS REQUIRED. HOWEVER, THE TIMING WILL BE
CRITICAL AS IT SHOULD APPEAR TO SUPPORT LOCAL INITIATIVE
RATHER THAN APPEAR TO BE IMPOSING A SOLUTION.
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